



MATTHEW L. SCHWARTZ
Tel.: (212) 303-3646
E-mail: mlschwartz@bsfllp.com

July 22, 2025

BY ECF

Honorable Hon. P. Kevin Castel
United States District Judge
Southern District of New York
500 Pearl Street
New York, New York 10007

Re: *FSC Advisors, LLC v. Theia Group, Inc., et al.*, Case No. 21 Civ. 6995 (PKC)

Dear Judge Castel:

I represent CogniSphere, LLC and write in respect of the Receiver's motion to enforce the Court's October 26, 2023 Sale Order. [ECF Nos. 500-503].

The Receiver's notice of motion [ECF No. 500] asks for an order "(i) enforcing the Sale Order and APA and (ii) compelling performance by *LTS Systems, LLC* (i.e., payment of the Assumed Liabilities for the costs and expenses of the Receivership Estate)." But the accompanying brief and the Receiver's proposed order ask the Court to order that "The *Buyer* is hereby ordered to pay the Receiver, within three (3) business days of the date hereof, the Assumed Liabilities for the costs and expenses of the Receivership Estate." [ECF No. 503]. The "Buyer" is defined as "LTS Systems, LLC, *together with its designees and/or assignees*." [ECF No. 502, at ¶ 3].

As the Court may recall, CogniSphere was originally a wholly-owned subsidiary of LTS, to which LTS assigned certain aircraft, tangible property, and its rights under a contract with Basler Turbo Conversions, L.L.C. CogniSphere was subsequently beneficially acquired by an entity affiliated with Robert Leeds. [See generally ECF No. 457, at 4]. CogniSphere is therefore arguably a "designee and/or assignee" of LTS within the meaning of the Receiver's motion—which also specifically refers to certain "aircraft." [See ECF No. 502, at ¶ 5].

I write, therefore, to clarify that CogniSphere has no responsibility for the so-called "Assumed Liabilities" that are the subject of the Receiver's motion. CogniSphere succeeded to certain of LTS's rights and assets, but not its liabilities—and certainly not the "Assumed Liabilities." [ECF No. 458-4]. I am told that the Receiver agrees. I therefore respectfully request that, should the Court grant the Receiver's motion, any order be limited to LTS or otherwise make clear that it imposes no obligation on CogniSphere. CogniSphere otherwise takes no position on the motion.

Thank you for your consideration.

Respectfully,

/s/ Matthew L. Schwartz
Matthew L. Schwartz